

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s VBC Fertilizers & Chemicals Limited, Jayanthipuram village, Jaggayyapet Mandal, Krishna District for their proposed Urea Fertilizer Plant – Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 38

Dated: 10 -05-2013.
Read the following:-

1. From the Director, M/s VBC Fertilizers & Chemicals Limited Letter No. Nil, dated 24.04.2012.
2. Memo No. 7279/IP/A2/2012 of Inds. & Comm. (IP) Department, dt. 09.05.2012.
3. Minutes of the State Investment Promotion Committee Meeting held on 16.06.2012.
4. Minutes of the State Investment Promotion Board Meeting held on 27.06.2012.

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O R D E R:-

In the reference 1st read above, the Director, M/s VBC Fertilizers & Chemicals Limited has informed that they proposed to setup a Urea Fertilizer Plant along with 2x67.5MW captive power plant at Jayanthipuram village, Jaggayyapet Mandal, Krishna district with an investment of Rs.7578 Crores.

2. The unit will create employment for 2700 people directly and several others indirectly and requested for the following benefits:

- a. 100% Reimbursement of stamp duty and transfer duty paid on purchase of land meant for industrial use.
- b. 100% reimbursement of stamp duty for mortgages and hypothecations
- c. Fixed power cost reimbursement @ 0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 10 years from the date of commencement of commercial production
- d. Reimbursement of 100% net Value Added Tax / Central Sales Tax for a period of 10 years from the date of commencement of commercial production
- e. 50% Reimbursement of cost involved in skill up gradation and training the local manpower limited to Rs.2000 per person
- f. 25% subsidy on the specific cleaner production measures
- g. Infrastructure like roads, power and water at the door step of the industry as per eligibility under IIPP 2010-15.
- h. Approval / permission to setup Captive Coal based power project 2 X 67.5 MW and also electricity duty exemption on self-consumption, in case the company produce power through captive generation.
- i. Alienation of 493 Acres of Government of land under Survey No.93, Jayanthipuram Village, Jaggayyapet Mandal, Krishna District
- j. Facilitate acquisition of 57 acres of additional land as estimated by PDIL adjacent to the land as above.

3. In the reference 3rd read above, the State Investment Promotion Committee (SIPC) have discussed the above proposal in its meeting held on 16.06.2012 and decided to place the matter before the State Investment Promotion Board (SIPB) with the following recommendations of the State Investment Promotion Committee (SIPC):

- a. With regard to land, Andhra Pradesh Industrial Infrastructure Corporation has been advised to process the Alienation proposals to Government if land is available, other-wise to advise the company to go for private land.
- b. 50% Value Added Tax / Central Sales Tax reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- c. All other incentives as per Industrial Investment Promotion Policy 2010-15.

4. In the reference 4th read above, the State Investment Promotion Board in its meeting held on 27.06.2012 discussed the proposal in detail and decided to extend the following incentives to the Company:

- a. 50% Value Added Tax / Central Sales Tax reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- b. All other incentives as per Industrial Investment Promotion Policy 2010-15.
- c. With regard to land, Andhra Pradesh Industrial Infrastructure Corporation informed that 500 acres of Government land is available and Revenue Department approval is awaited. Once the approval from the Revenue department is received, allotment will be given to the company, as per the new land allotment policy.

5. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s VBC Fertilizers & Chemicals Limited, Jayanthipuram village, Jaggayyapet Mandal, Krishna district for their proposed Urea Fertilizer Plant along with 2x67.5MW captive power plant with an investment of Rs.7578 crores, as decided by the State Investment Promotion Board under Industrial Investment Promotion Policy 2010-2015.

- (a). 50% Value Added Tax / Central Sales Tax reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- (b) All other incentives as per Industrial Investment Promotion Policy 2010-15, which include:
 - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
 - (ii) 100% reimbursement of Stamp duty for mortgages and hypothecations.
 - (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
 - (iv) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.
 - (v) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- © In regard to allotment of land, to the unit, the Andhra Pradesh Industrial Infrastructure Corporation is requested to take necessary action as per the decision of the State Investment Promotion Board in its meeting held on 27.06.2012.

6. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

7. The Industry shall provide at least 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K.PRADEEP CHANDRA,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.

M/s VBC Fertilizers & Chemicals Limited through the Commissioner of Industries, AP, Hyderabad.

The Vice Chairman & Managing Director, APIIC, Hyderabad.

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The District Collector, Krishna District.

Copy to:

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Energy Department.

The Law (J) Department.

The Irrigation (Reforms) Dept.

The Ind. & Com. (INF) Department.

The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, Hyderabad

The Commissioner & IG, Registrations & Stamps, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APSODC Ltd., Tirupathi

The General Manager, District Industries Centre, Krishna

P.S. to Principal Secretary to Chief Minister

P.S. to Hon'ble Minister(Major Industries)

P.S. to Chief Secretary to Government

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.

SC/SF

//FORWARDED::BY ORDER//

SECTION OFFICER